Financial Statements of

# ERINOAKKIDS
## Centre for Treatment and Development

And Independent Auditors' Report thereon

Year ended March 31, 2020

KPMG LLP
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# INDEPENDENT AUDITORS' REPORT

To the Board of Directors of ERINOAKKIDS
Centre for Treatment and Development

## *Qualified Opinion*

We have audited the financial statements of ERINOAKKIDS Centre for Treatment and Development (the Entity), which comprise:

- the statement of financial position as at March 31, 2020
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the ***"Basis for Qualified Opinion"*** section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the Entity derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of the Entity. Therefore, we were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the statements of financial position as at March 31, 2020 and 2019
- the revenue from donations and fundraising and excess of revenue over expenses reported in the statements of operations for the years ended March 31, 2020 and 2019

- the unrestricted balances, at the beginning and end of the year, reported in the statements of changes in net assets for the years ended March 31, 2020 and 2019
- the excess of revenue over expenses reported in the statements of cash flows for the years ended March 31, 2020 and 2019

Our opinion on the financial statements for the year ended March 31, 2019 was qualified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditors' Responsibilities for the Audit of the Financial Statements"*** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

## *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

July 29, 2020

# ERINOAKKIDS

## Centre for Treatment and Development

Statement of Financial Position

March 31, 2020, with comparative information for 2019

| | Operating Fund | Capital Fund | 2020 Total | 2019 Total |
|---|---|---|---|---|
| **Assets** | | | | |
| Current assets: | | | | |
| Cash (note 9) | $ 20,371,541 | $ 7,475,259 | $ 27,846,800 | $ 28,373,637 |
| Accounts receivable (note 11) | 1,302,292 | – | 1,302,292 | 987,890 |
| Prepaid expenses | 112,614 | – | 112,614 | 119,019 |
| | 21,786,447 | 7,475,259 | 29,261,706 | 29,480,546 |
| Investments (note 2) | – | 4,637,500 | 4,637,500 | 4,601,239 |
| Interfund receivable (payable) | (12,118) | 12,118 | – | – |
| Capital assets (note 3) | – | 199,238,085 | 199,238,085 | 202,971,958 |
| | $ 21,774,329 | $ 211,362,962 | $ 233,137,291 | $ 237,053,743 |
| **Liabilities and Net Assets** | | | | |
| Current liabilities: | | | | |
| Accounts payable and accrued liabilities (notes 4 and 11) | $ 13,373,193 | $ 461,859 | $ 13,835,052 | $ 14,938,424 |
| Deferred revenue | 1,802,457 | – | 1,802,457 | 3,842,931 |
| | 15,175,650 | 461,859 | 15,637,509 | 18,781,355 |
| Deferred contributions (note 5) | 435,794 | 184,230,489 | 184,666,283 | 188,487,894 |
| | 15,611,444 | 184,692,348 | 200,303,792 | 207,269,249 |
| Net assets: | | | | |
| Internally restricted (note 7) | 992,517 | 5,368,030 | 6,360,547 | 5,962,032 |
| Invested in capital assets (note 6) | – | 18,568,778 | 18,568,778 | 18,568,778 |
| Unrestricted | 5,170,368 | 2,733,806 | 7,904,174 | 5,253,684 |
| | 6,162,885 | 26,670,614 | 32,833,499 | 29,784,494 |
| Contingencies and indemnifications (note 16) | | | | |
| Subsequent event (note 21) | | | | |
| | $ 21,774,329 | $ 211,362,962 | $ 233,137,291 | $ 237,053,743 |

See accompanying notes to financial statements.

On behalf of the Board:

Steve Bishop
______________________ Director

Patrick J. Bartlett
______________________ Director

# ERINOAKKIDS

## Centre for Treatment and Development

Statement of Operations

Year ended March 31, 2020, with comparative information for 2019

| | Operating Fund | Capital Fund | 2020 Total | 2019 Total |
|---|---|---|---|---|
| Revenue: | | | | |
| Ministry of Children, Community and Social Services (note 12) | $ 109,236,864 | $ – | $ 109,236,864 | $ 107,550,609 |
| Amortization of deferred contributions - capital (note 5) | – | 6,570,425 | 6,570,425 | 6,218,320 |
| Other revenue and recoveries (note 13) | 4,485,652 | 49,802 | 4,535,454 | 3,006,214 |
| Other funding and operating grants (note 14) | 3,527,944 | – | 3,527,944 | 3,661,828 |
| Donations and fundraising (note 18) | 779,886 | – | 779,886 | 636,260 |
| Investment income | 153,445 | 283,905 | 437,350 | 493,437 |
| | 118,183,791 | 6,904,132 | 125,087,923 | 121,566,668 |
| Expenses: | | | | |
| Salaries and benefits | 51,502,296 | – | 51,502,296 | 55,266,303 |
| Contracted out services | 51,035,261 | – | 51,035,261 | 46,563,300 |
| Amortization of capital assets | 50,004 | 6,570,425 | 6,620,429 | 6,268,324 |
| Buildings and grounds | 3,277,822 | – | 3,277,822 | 3,105,251 |
| Information technology costs | 2,609,775 | – | 2,609,775 | 2,545,435 |
| Professional fees | 2,192,767 | 487 | 2,193,254 | 1,857,391 |
| Supplies | 1,401,080 | – | 1,401,080 | 1,185,014 |
| Equipment | 1,178,219 | – | 1,178,219 | 759,275 |
| Sundry | 1,023,845 | 22,703 | 1,046,548 | 995,978 |
| Travel and training | 601,094 | 330 | 601,424 | 616,141 |
| Fundraising (note 18) | 464,443 | – | 464,443 | 308,247 |
| | 115,336,606 | 6,593,945 | 121,930,551 | 119,470,659 |
| | 2,847,185 | 310,187 | 3,157,372 | 2,096,009 |
| Unrealized gain (loss) on investments | – | (108,367) | (108,367) | 67,404 |
| Excess of revenue over expenses | $ 2,847,185 | $ 201,820 | $ 3,049,005 | $ 2,163,413 |

See accompanying notes to financial statements.

# ERINOAKKIDS

## Centre for Treatment and Development

Statement of Changes in Net Assets

Year ended March 31, 2020, with comparative information for 2019

| | Operating Fund | | Capital Fund | | | 2020 | 2019 |
|---|---|---|---|---|---|---|---|
| | Unrestricted | Internally restricted (note 7) | Unrestricted | Invested in capital assets (note 6) | Internally restricted (note 7) | Total | Total |
| Net assets, beginning of year | $ 2,721,698 | $ 594,002 | $ 2,531,986 | 18,568,778 | $ 5,368,030 | $ 29,784,494 | $ 27,621,081 |
| Excess of revenue over expenses | 2,847,185 | – | 201,820 $ | – | – | 3,049,005 | 2,163,413 |
| Interfund transfer (note 8) | (398,515) | 398,515 | – | – | – | – | – |
| Net assets, end of year | $ 5,170,368 | $ 992,517 | $ 2,733,806 | $ 18,568,778 | $ 5,368,030 | $ 32,833,499 | $ 29,784,494 |

See accompanying notes to financial statements.

# ERINOAKKIDS

## Centre for Treatment and Development

Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

| | 2020 | 2019 |
|---|---|---|
| Cash provided by (used in): | | |
| Operating activities: | | |
| Excess of revenue over expenses | $ 3,049,005 | $ 2,163,413 |
| Items not involving cash: | | |
| Amortization of capital assets | 6,570,425 | 6,218,320 |
| Amortization of deferred contributions - capital | (6,570,425) | (6,218,320) |
| Unrealized loss (gain) on investments | 108,367 | (67,404) |
| Change in non-cash operating working capital | (2,151,843) | 7,498,641 |
| | 1,005,529 | 9,594,650 |
| Financing activities: | | |
| Deferred contributions received - capital | 1,448,814 | 3,572,507 |
| Investing activities: | | |
| Purchase of investments | (2,918,108) | (2,276,656) |
| Proceeds on redemption and sale of investments | 2,773,480 | 2,161,000 |
| Purchase of capital assets | (2,836,552) | (5,130,108) |
| | (2,981,180) | (5,245,764) |
| Increase (decrease) in cash | (526,837) | 7,921,393 |
| Cash, beginning of year | 28,373,637 | 20,452,244 |
| Cash, end of year | $ 27,846,800 | $ 28,373,637 |

See accompanying notes to financial statements.

ERINOAKKIDS Centre for Treatment and Development (the "Organization" or "ERINOAKKIDS") is incorporated under the laws of Ontario, without share capital, with the purpose of supporting children and youth with physical, developmental or communication disabilities and their families residing primarily in the Regions of Peel and Halton and Dufferin County in achieving and maintaining optimal levels of independence, health and well-being.

ERINOAKKIDS is a registered charitable organization under the Income Tax Act (Canada) and, accordingly, is exempt from income taxes provided certain requirements of the Income Tax Act (Canada) are met.

## 1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada Handbook.

(a) Fund accounting and revenue recognition:

The accounts are maintained using the principles of fund accounting. Resources are classified into funds that are in accordance with specified activities or objectives.

The Organization follows the deferral method of accounting for contributions.

The Operating Fund accounts for the client care and administrative and operational costs financed by provincial ministries and other agencies and include other operating revenue. All assets and liabilities relating to ongoing client care activities are included in the Operating Fund. Operating grants for programs are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Unrestricted contributions, including donations and fundraising, are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized.

**1. Significant accounting policies (continued):**

The Capital Fund accounts for monies received and specified for capital purposes or other special projects and purposes. The monies received to fund capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets. Monies received for special projects and purposes are recognized as revenue in the year in which the related expenses are incurred.

Restricted investment income is recognized as revenue in the year in which the related expenses are recognized. Unrestricted investment income is recognized as revenue when earned.

Revenue from client and other service fees are recognized when the services are provided.

(b) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to ERINOAKKIDS ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized on a straight-line basis using the following rates:

| | |
|---|---|
| Land improvements | 15 - 20 years |
| Buildings | 40 years |
| Building service equipment | 15 - 40 years |
| Leasehold improvements | Over lease term |
| Major equipment | 5 - 15 years |
| Major Information System ("IS") equipment | 5 - 15 years |

**1. Significant accounting policies (continued):**

(c) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has elected to carry its financial investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, ERINOAKKIDS determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount ERINOAKKIDS expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

## 1. Significant accounting policies (continued):

(e) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the useful lives of capital assets and accrued liabilities. Actual results could differ from those estimates.

## 2. Investments:

Investments are carried at fair value and consist of the following:

| | 2020 | 2019 |
|---|---|---|
| Guaranteed investment certificates | $ 2,848,307 | $ 2,208,536 |
| Bonds: | | |
| Ontario savings bond | – | 586,146 |
| Mutual funds: | | |
| Balanced Pooled Fund | 1,789,193 | 1,806,557 |
| | $ 4,637,500 | $ 4,601,239 |

The guaranteed investment certificates have an effective interest rate of 2.00% to 2.15% (2019 - 1.75% to 1.90%) and mature between July 2020 and February 2021 (2019 - October 2019 and February 2020).

## 3. Capital assets:

| | | | 2020 | 2019 |
|---|---|---|---|---|
| | Cost | Accumulated amortization | Net book value | Net book value |
| Land | $ 18,568,778 | $ – | $ 18,568,778 | $ 18,568,778 |
| Land improvements | 2,412,728 | 310,557 | 2,102,171 | 1,862,009 |
| Buildings | 179,164,094 | 10,820,918 | 168,343,176 | 172,072,372 |
| Building service equipment | 4,461,023 | 586,686 | 3,874,337 | 3,825,882 |
| Leasehold improvements | 626,890 | 381,869 | 245,021 | 370,399 |
| Major equipment | 6,314,549 | 2,109,857 | 4,204,692 | 4,626,374 |
| Major IS equipment | 2,605,501 | 705,591 | 1,899,910 | 1,646,144 |
| | $ 214,153,563 | $ 14,915,478 | $ 199,238,085 | $ 202,971,958 |

In January 2018, the Organization completed its Redevelopment Project, which led to all sites becoming operational.

Major funding for the acquisition of redevelopment capital assets was received from the Ministry of Children, Community and Social Services (the "Ministry"). ERINOAKKIDS is therefore not able to dispose of these capital assets or to use the capital assets for other purposes without the consent of the Ministry.

## 4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $163,719 (2019 - $640,934), which includes amounts payable for payroll-related taxes.

In 2019, $1,300,000 was included in accounts payable and accrued liabilities for warranty costs related to the Redevelopment Project repayable to the Ministry. In 2020, the Ministry approved the reallocation of the entire balance to deferred capital contributions for future capital requirements.

Also in 2019, the Board approved a restructuring plan resulting in salaries and benefits expense in the current year of $6,594,489 of which, $4,578,669 (2019 - $3,144,550) is included in accounts payable and accrued liabilities.

## 5. Deferred contributions:

(a) Deferred contributions - operating:

| | | 2020 | | 2019 |
|---|---|---|---|---|
| Balance, beginning of year | $ | 435,794 | $ | 435,794 |
| Amounts received related to future periods | | – | | 95,000 |
| Less amounts recognized in revenue | | – | | (95,000) |
| Balance, end of year | $ | 435,794 | $ | 435,794 |

(b) Deferred contributions - capital:

| | 2020 | 2019 |
|---|---|---|
| Balance, beginning of year | $ 188,052,100 | $ 190,697,913 |
| Contributions received | 1,448,814 | 3,572,507 |
| Contributions reallocation (note 4) | 1,300,000 | – |
| | 190,800,914 | 194,270,420 |
| Less amounts amortized to revenue | 6,570,425 | 6,218,320 |
| Balance, end of year | $ 184,230,489 | $ 188,052,100 |

The deferred capital contributions include monies raised through the $20 million In My Dreams Campaign. The campaign raised funds to equip the facilities under the Redevelopment Project.

Deferred capital contributions related to capital assets represent the unamortized amount of funding received for the purchase of capital assets. At the end of the year, deferred capital contributions include $3,561,182 (2019 - $3,648,920) of funds that are unspent.

The Ministry and ERINOAKKIDS entered into various funding agreements in connection with the Redevelopment Project. ERINOAKKIDS received $208,389,382 (2019 - $207,089,382) from the Ministry for the Redevelopment Project.

## 6. Net assets invested in capital assets:

(a) Net assets invested in capital assets are calculated as follows:

| | 2020 | 2019 |
|---|---|---|
| Capital assets | $ 199,238,085 | $ 202,971,958 |
| Less: | | |
| Amounts financed by deferred contributions - capital, excluding amount unspent | 180,669,307 | 184,403,180 |
| | $ 18,568,778 | $ 18,568,778 |

The balance of invested in capital assets represents the land which is not amortized, that was funded by the Ministry in connection with the Redevelopment Project.

(b) The change in net assets invested in capital assets is calculated as follows:

| | 2020 | 2019 |
|---|---|---|
| Excess of revenue over expenses: | | |
| Amortization of deferred contributions - capital | $ 6,570,425 | $ 6,218,320 |
| Amortization of capital assets | (6,570,425) | (6,218,320) |
| | $ – | $ – |
| Net change in investment in capital assets: | | |
| Purchase of capital assets | $ 2,836,552 | $ 5,130,108 |
| Amounts funded by deferred contributions - capital | (2,836,552) | (5,130,108) |
| | $ – | $ – |

## 7. Internally restricted fund:

The Board of Directors has internally restricted the following:

(a) Operating fund - represents revenue in excess of expenses from non-Ministry funded services.

(b) Capital fund - the Organization's invested in capital assets (note 6) represents donated land and funded capital assets. In addition, the internally restricted funds represents historical gain from sale of a property.

The internally restricted amounts are not available for other purposes without the approval by the Board of Directors.

## 8. Interfund transfers:

On an annual basis, the Board of Directors has internally restricted parking revenue related to the operation of the parking lots at its sites in excess of expenses to be used for future capital replacements.

## 9. Cash held in trust:

Included in cash are funds held in trust of $1,550,375 (2019 - $1,548 046) for future payments related to the Redevelopment Project.

## 10. Credit facility:

The Organization has a credit facility agreement which consists of a line of credit for up to $900,000 (2019 - $900,000). The credit facility bears interest at the bank's prime rate and is repayable upon demand. The line is secured by a general security agreement. There is no amount drawn on this credit facility as at March 31, 2020 and 2019.

## 11. Contracts with the Ministry:

ERINOAKKIDS has a number of programs with the Ministry. A requirement of these programs is the completion by management of an Annual Reconciliation Report, which shows a summary of all revenue and expenses and any resulting surplus or deficit related to the programs. The Annual Reconciliation Report was prepared by management in June 2020. Programs which are in a surplus are included in accounts payables and accrued liabilities and programs which are in a deficit are recorded in accounts receivable. The balances payable (receivable) are as follows:

| | 2020 | 2019 |
|---|---|---|
| Autism Services - Court-Ordered | $ – | $ 26,986 |
| Complex Special Needs - Individual Placements | 55,924 | (15,339) |
| Special Services at Home Program | (157,351) | (21,694) |
| Early Intervention Demonstration Sites | (311,727) | (151,798) |
| School Based Rehabilitation Services | 101,105 | – |

During the year, ERINOAKKIDS received and recognized into revenue $65,971,306 from the Ministry related to Ontario Autism Program Services based on the funds spent.

## 12. Ministry of Children, Community and Social Services revenue:

| | 2020 | 2019 |
|---|---|---|
| Ontario Autism Program Service Expansion | $ 67,656,169 | $ 71,780,898 |
| Rehabilitation Services Base Operating Grant | 14,126,476 | 13,093,551 |
| School-Based Rehabilitation Services - Base Grant | 7,649,674 | 2,501,818 |
| Preschool Speech Program | 6,151,905 | 6,076,504 |
| Special Services at Home Program | 3,346,361 | 3,451,062 |
| School Support Program Autism Spectrum Disorder | 2,960,344 | 2,960,344 |
| Infant Hearing Program | 2,506,605 | 2,481,387 |
| Ontario Autism Program Family Support Workers | 1,361,774 | 1,824,200 |
| Complex Special Needs - Individual Placements | 958,392 | 810,735 |
| Service Planning Coordinators | 655,400 | 655,400 |
| Early Intervention Demonstrations | 521,319 | 625,000 |
| Out of Home Respite | 339,900 | 339,900 |
| Blind/Low Vision | 242,140 | 242,140 |
| Respite Complex Special Needs - Community Enhancement | 231,380 | 231,380 |
| One-Time Funding - Infant Hearing Program | 228,762 | – |
| Autism Court-Ordered | 117,479 | 319,730 |
| Fetal Alcohol Spectrum Disorder | 90,000 | 90,000 |
| Ministry of Health and Long-Term Care Physiotherapy Clinic | 56,784 | 40,560 |
| Ministry of Health and Long-Term Care Assistive Devices Leasing Program | 26,000 | 26,000 |
| One-Time Funding - Special Service at Home | 10,000 | – |
| | $ 109,236,864 | $ 107,550,609 |

## 13. Other revenue and recoveries:

| | 2020 | 2019 |
|---|---|---|
| Sales and rentals | $ 3,047,312 | $ 2,031,198 |
| Diagnostic hub | 930,600 | 404,800 |
| Adult Respite Program | 224,095 | 232,002 |
| Client and other service fees | 161,767 | 133,139 |
| Grants and other income | 121,878 | 155,071 |
| Other revenue - capital | 49,802 | 50,004 |
| | $ 4,535,454 | $ 3,006,214 |

## 14. Other funding and operating grants:

| | 2020 | 2019 |
|---|---|---|
| Region of Peel - Early Childhood Resource Services | $ 3,169,983 | $ 3,075,942 |
| Halton Region - Special needs resourcing | 198,332 | 173,552 |
| Ontario Health Insurance Plan physician billings | 66,963 | 295,699 |
| Research grants | 42,793 | 52,763 |
| Grants and other income | 49,873 | 63,872 |
| | $ 3,527,944 | $ 3,661,828 |

## 15. Pension plan:

Most employees of ERINOAKKIDS are members of the Hospitals of Ontario Pension Plan (the "Plan"), which is a multi-employer defined benefit pension plan available to all eligible employees. Plan members will receive benefits based on length of service and the average annualized earnings during the five consecutive years that provide the highest earnings prior to retirement, termination or death.

Contributions to the plan made during the year by ERINOAKKIDS on behalf of its employees amounted to $3,251,239 (2019 - $3,829,489) and is included in the statement of operations.

Since the Plan is a multi-employer plan, ERINOAKKIDS' contributions are accounted for as if the Plan were a defined contribution plan, with ERINOAKKIDS' contributions being expensed in the period they come due. Any pension surplus or deficit is a joint responsibility of members and employers and may affect future contribution rates related to members. ERINOAKKIDS does not recognize any share of the Plan's pension surplus or deficit as insufficient information is available to identify ERINOAKKIDS share of the underlying pension assets and liabilities. The most recent actuarial valuation filed with pension regulators as at December 31, 2019 indicated an actuarial surplus of $2,505,000.

## 16. Contingencies and indemnifications:

(a) Contingent liabilities:

On July 1, 1987, a group of health care organizations ("subscribers") formed Healthcare Insurance Reciprocal of Canada ("HIROC"). HIROC is registered as a reciprocal pursuant to the Provincial Insurance Act, which permits persons to exchange with other persons reciprocal contracts of indemnity insurance. HIROC facilitates the provision of liability insurance coverage to health care organizations in the Provinces of Ontario, Manitoba, Saskatchewan and Newfoundland. Subscribers pay annual premiums, which are actuarially determined, and are subject to assessment for losses in excess of such premiums, if any, experienced by the group of subscribers for the years in which they were a subscriber. No such assessments have been made to March 31, 2020.

(b) Director/officer indemnifications:

The Organization indemnifies its directors/officers and former directors/officers to the extent permitted by legislation against expenses (including legal fees), judgments, fines and any amount actually and reasonably incurred by them in connection with any action, suit or proceeding in which the directors and/or officers are used as a result of their service, if they acted honestly and in good faith with a view to the best interests of the Organization. The nature of the indemnification prevents the Organization from making a reasonable estimate of the maximum potential amount that it could be required to pay counterparties. The Organization has purchased directors' and officers' liability insurance. No amount has been accrued in the financial statements as at March 31, 2020 with respect to this liability.

## 17. Affiliated entity:

The ERINOAKKIDS Foundation (the "Foundation") was incorporated under the laws of Ontario without share capital as a not-for-profit organization with a sole purpose of raising funds for the Organization. Effective July 1, 2013, the Foundation became inactive and all fundraising activities were transferred to ERINOAKKIDS.

The Organization has assets and fund balances as at March 31, 2020 of $10 (2019 - $10). There was no activity for the year ended March 31, 2020 and 2019.

## 18. Fundraising:

The funds raised during the year and related expenses are as follows:

| | 2020 | 2019 |
|---|---|---|
| Operating fund donations and fundraising | $ 779,886 | $ 636,260 |
| Restricted donations: | | |
| In My Dreams Campaign | 541,617 | 1,704,439 |
| Other | 110,269 | 124,260 |
| | 1,431,772 | 2,464,959 |
| Expenses: | | |
| Operating | 464,443 | 308,247 |
| Clinical programs | 107,852 | 89,486 |
| | 572,295 | 397,733 |
| Net funds raised | $ 859,477 | $ 2,067,226 |

## 19. Financial risks:

The Organization holds investments which are subject to market risk, interest rate risk and cash flow risk. These risks will also impact future cash flow streams, including dividends, gains and losses and interest income.

The value of equities changes with stock market conditions. The value of bonds will vary with developments within specific governments which issue securities.

The value of bonds will generally rise if interest rates fall and fall if interest rates rise. Changes in interest rates may also affect the value of equities.

## 20. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

**21. Subsequent event:**

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The Government of Ontario ordered the closure of all non-essential businesses and the Organization responded to these events by ceasing in-person services, except for urgent medical and audiology appointments, on March 13, 2020. The Organization also enacted working from home requirements for those able to do so, and applied all mandated public health measures (limits on occupancy, screening, personal protective equipment, etc.) for the limited on-site services taking place. Ministry funding and cash flow continued and all pandemic-related expenses were eligible to be funded through the Organization's annual funding allocation. Revenue from in-person services, such as fee-for-service Autism Services, respite, and camps, ceased. There is no permanent impairment on asset values such as investments (primarily guaranteed investment certificates) and capital assets (primarily physical plant).

Financial statements are required to be adjusted for events occurring between the date of the financial statements and the date of the auditors' report which provide additional evidence relating to conditions that existed as at year-end. Management completed this assessment and did not identify any such adjustments. The current events and conditions are expected to be temporary, however there is uncertainty around the length of the disruption and impact on future operations. As a result, an estimate of the financial effect of these items is not practicable at this time.